

RECORDED 25860-C

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SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

One O'hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018-4214

Tel 847.318.7575
Fax 847.318.7588
www.firstunionrail.com

July 7, 2011

Chief Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Termination

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Termination dated June 30, 2011, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease dated August 15, 2005 which was duly filed at the Surface Transportation Board on May 9, 2008 at 5:02 p.m. under primary Recordation Number 25860; as evidenced by the Assignment and Assumption Agreement filed at the Surface Transportation Board on July 28, 2010 at 1:30 p.m. with secondary Recordation Number 25860-B.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 N River Road, Suite 5000
Rosemont, IL 60018 USA

Lessee: Canadian National Railway Company
935 de La Gauchetiere St. West
Montreal, Quebec H3B 2M9
Canada

The enclosed document is for two hundred thirty (230) 4250 CF Aluminum body rotary dump BethgonII Coal Porter railcars with CNA marks (see Exhibit A for car numbers) which have been terminated in all respects and are no longer covered under the Lease.

A short summary of the document to appear in the index follows:

Memorandum of Lease Termination

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Sincerely,



Marcia Dunne
Senior Documentation Specialist
Enclosures

(CN143)

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MEMORANDUM OF LEASE TERMINATION

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE TERMINATION (the "Memorandum") dated as of June 30, 2011 is made by First Union Rail Corporation (the "Lessor"), a North Carolina corporation, as assigned from BBRX One LLC (as successor in interest to Babcock & Brown Rail Funding LLC), and pertains to that certain Master Net Railcar Lease and Schedule No. 1, both dated August 15, 2005 (collectively, the "Lease"), between Lessor and Canadian National Railway Company (the "Lessee"), a Canadian corporation.

WITNESSETH:

WHEREAS, Lessor and Lessee entered into the Lease whereby Lessor has agreed to lease to Lessee certain railcars (the "Equipment") as more particularly described in on Exhibit A attached hereto; and,

WHEREAS, Lessor and Lessee entered into that certain Memorandum of Lease dated as of August 15, 2005, evidencing the above-described Lease of such Equipment, which was filed at the Surface Transportation Board on September 28, 2005 at 2:00 p.m. with primary Recordation Number 25860 and as assigned to Lessor and identified as Lease No. 8 as evidenced by the Assignment and Assumption Agreement filed at the Surface Transportation Board on July 28, 2010 at 1:30 p.m. with secondary Recordation Number 25860-B.

WHEREAS, the Lease between Lessor and Lessee has been terminated; and,

NOW, THEREFORE, the Lessor desires to clarify the public record as follows:

1. This Notice serves as notice that the Lease between Lessor and Lessee relating to the Equipment and evidenced by the Memorandum of Lease filed with the Surface Transportation Board, has been terminated in all respects.
2. Lessor wishes to record this Notice of Termination of Lease and Termination of Memorandum of Lease so as to release the lien with respect to the Equipment.

IN WITNESS WHEREOF, the Lessor has caused this Memorandum to be duly executed by its duly authorized officer as of the 30th day of June, 2011 (and the undersigned declares under penalty of perjury that he holds the title indicated below and that the execution of this Memorandum was the free act and deed of its corporation).

LESSOR:

FIRST UNION RAIL CORPORATION

Name: RICHARD F. SEYMOUR
VICE PRESIDENT SALES & MARKETING

Title:

Signature: Richard F. Seymour

EXHIBIT A to MEMORANDUM OF TERMINATION OF LEASE

NUMBER OF CARS: Two hundred thirty (230)

DESCRIPTION OF CARS: 4520 CF Aluminum body rotary dump Bethgon II Coal Porter railcars, 286,000 lbs. GRL, AAR car type code J311, built in 2005 by FreightCar America, Inc.

CAR NUMBERS: CNA 193000 TO 193229, inclusive.